

MINUTES

MONROE COUNTY AIRPORT AUTHORITY

Audit Committee Meeting

September 28, 2011

Present:

Bernard J. Iacovangelo, Esq. Chairperson

Don Johnson

Stephen Tucciarello

Nick Juskiw – excused

Others Present:

Susan L. Walsh, Esq. Administrative Director

Scott Adair Treasurer

Angela Veltre Assistant Treasurer

Neha S. Stowe

Meeting was called to order by the Chairman @11:00 a.m.

Approval of the Minutes from March 28, 2011

A motion was made to approve by Chairman Iacovangelo and seconded by Member Johnson. The motion passed 3-0.

Approval of the Minutes from May 3, 2011

A motion was made to approve by Member Johnson and seconded by Member Tucciarello. The motion passed 3-0.

Approval of the Minutes from July 20, 2011

A motion was made to approve by Chairman Iacovangelo and seconded by Member Johnson. The motion passed 3-0.

Internal Audit Update

Treasurer Adair provided an update as to the scheduling of a meeting with the Internal Auditors during the week of October 12, 2011. Treasurer Adair and Assistant Treasurer Veltre have been reviewing and updating the risk assessment to ensure it is complete and accurate. The plan for audits for 2012 will be similar to 2011 plus some additional audits previously discussed by this Committee. The meeting with the internal auditors will be open to Committee members. Treasurer Adair confirmed the contract with the Internal Auditors has been executed.

2012 MCAA Budget

Assistant Treasurer Veltre spoke on the upcoming 2012 budget. In particular it was noted that there is a decrease in expense of about \$285,000 from last year, which is due in part to a reduction in debt service. There were some increases in the professional services lines due to a projected expense for legal and financial consultant services needed for negotiation of the new Air Lease and Rental Agreements with the airlines.

Chairman Iacovangelo asked questions concerning the debt. Assistant Treasurer Veltre noted that the debt was the result of capital projects related to the airport which were included in the County's six year capital improvement plan. Treasurer Adair noted that the debt associated with a prior

capital project was extinguished in 2011 resulting in a reduced debt amount for the 2012 budget. Chairman Iacovangelo asked if the budget line for amortization costs was a non-cash item. Assistant Treasurer Veltre stated that they are a non-cash item. It was noted the County budget portion is an estimate at this point because the County budget has not been approved to date.

2012 MCAA Renewal and Replacement Budget

Assistant Treasurer Veltre presented the 2012 MCAA Renewal and Replacement Budget. The revenue portion of the Renewal and Replacement Budget is completely funded by the signatory airline agreements.

Chairman Iacovangelo asked as to whether the 2012 renewal and replacement budget was in line with the County books. Assistant Treasurer Veltre stated they are in line with the appropriate capital projects.

Budget to Actual Report at August 31, 2011

Assistant Treasurer Veltre presented the August 31, 2011 budget to actual report. This report has been provided at the request of Chairman Iacovangelo. The report shows that the 2011 budget was appropriate as actual expenses are within those budget projections. The report shows a potential surplus of approximately \$1 million as of the report date. Member Johnson asked whether this report will be regularly presented to the Audit Committee and Treasurer Adair confirmed it would.

Review of Financials at August 31, 2011

Assistant Treasurer Veltre presented the August 31, 2011 financial statements. As part of this discussion several items were reviewed and discussed by the Audit Committee. Of note, the Authority is seeing approximately \$1 million in revenue from Continental Airlines based on their non-signatory status. Chairman Iacovangelo cautioned the Committee of this revenue not reoccurring due to Airline mergers. Discussion of the construction project regarding installation of solar panels on the terminal prompted a question from Chairman Iacovangelo as to whether we can get an effectiveness report. Director Walsh stated she would look into the matter.

Director's Litigation Update

Administrative Director, Susan L. Walsh noted no new litigation since the last meeting.

Ethics Hotline Update

Neha Stowe reported there were no calls to the hotline for July or August 2011.

Other Business

No other business presented.

Meeting was adjourned @ 11:45 a.m.

The next Audit Committee Meeting will be November 16, 2011.

Respectfully Submitted,



Scott Adair
Treasurer

Dated: